

OFFICE OF THE SUFFOLK COUNTY COMPTROLLER



A Performance Audit of **Hope for Youth, Inc.**

Period Covered:

January 1, 2017 through December 31, 2017

Report 2019-28

Date Issued: April 13, 2021

John M. Kennedy, Jr.

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REPORT HIGHLIGHTS/FACT SHEET

Hope for Youth, Inc.

Audit Objective

To determine if all expenditures claimed to the county-funded programs (Non-Secure Detention (NSD), Intensive Case Management (ICM), and Babylon Homeless/Runaway Shelter (Shelter) were proper program costs in accordance with contract provisions; that payments made to the Agency did not exceed contract budget amounts; and if the Agency complied with contract provisions and any applicable laws and regulations for the period January 1, 2017 through December 31, 2017.

Key Findings

- The Agency was non-compliant with Generally Accepted Accounting Principles and improperly charged the County-funded programs 100% of the costs pertaining to shared equipment and appliances, resulting in a total disallowance of \$5,719.
- The Agency was non-compliant with the County contract and Generally Accepted Accounting Principles as it failed to provide program specific financial statements and their methodology for allocating shared costs.

Key Recommendations

- The Agency should comply with Generally Accepted Accounting Principles (GAAP) and ensure that any expense incurred over more than one funding source or program is proportionately charged or allocated to each program.
- The Agency should comply with contract provisions and all applicable laws and regulations and have the ability to readily support this compliance with clear and concise documented evidence, that includes, but is not limited to: written accounting practices and procedures used to support allocation methodologies and separate program financial statements.

Background

In 1969, Hope for Youth, Inc. was founded as a not-for-profit voluntary agency and incorporated under the laws of the State of New York and licensed by the New York State Department of Social Services and the New York State Office of Mental Health to operate group homes for youths. Presently, the Agency operates numerous programs throughout both Nassau and Suffolk County and has been providing human service programs in the fields of youth, families, prevention and education. Although the Agency's programs operate from multiple locations, its administrative office is located at 201 Dixon Avenue in Amityville, NY and functions as a multi-purpose facility. The Non-Secure Detention Center program operates from the administrative office, and although the ICM program requires staff to primarily work in the field, staff also occupy work space in the administrative office. The Homeless/Runaway Shelter program is the only one of the three programs that is operated from a separate facility and is located in West Babylon, NY.

Quick Facts

Although the Agency has numerous agreements with the County, the focus of our audit is the agreements for the Non-Secure Detention, Intensive Case Management and Runaway Shelter programs. The Agency was reimbursed \$1,041,001, \$410,882 and \$397,146 respectively, for these agreements during the January 1, 2017 through December 31, 2017 audit period.

LETTER OF TRANSMITTAL

March 17, 2021

David Hegarty, Ph.D., LMFT,
Executive Director and CEO
Hope for Youth, Inc.
201 Dixon Avenue
Amityville, NY 11701

Dear Dr. Hegarty:

In accordance with the authority vested in the County Comptroller by Article V of the Suffolk County Charter, a performance audit was conducted of three (3) programs funded by Suffolk County and provided by Hope for Youth, Inc. (Agency) located at 201 Dixon Avenue, Amityville, New York during the period January 1, 2017 through December 31, 2017. The Agency's contracts were administered by the Suffolk County Department of Probation, Suffolk County Department of Social Services and Suffolk County Youth Bureau.

The objectives of our audit were as follows:

- To ensure that expenditures charged to the County-funded programs were proper program costs in accordance with contract provisions.
- To ensure that payments made to the Agency did not exceed contract budget amounts.
- To determine if the Agency complied with contract provisions and applicable laws and regulations.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,

Office of the County Comptroller
Division of Auditing Services

BACKGROUND

Hope for Youth, Inc. was founded in 1969 as a not-for-profit voluntary agency and incorporated under the laws of the State of New York and licensed by the New York State Department of Social Services and the New York State Office of Mental Health to operate group homes for youths. The Agency, whose administrative office is located at 201 Dixon Avenue, Amityville, NY, administers various Community Service Programs for both immediate care and preventative care throughout Nassau and Suffolk County and provides human service programs in the fields of youth, families, prevention and education. The Agency's mission is dedicated to facilitating positive change in the lives of children, adolescents and families through programs that provide stable and nurturing Residential Care, Foster Care, Preventative and Out-Patient programs which educate, motivate and empower individuals to become self-sufficient and achieve their full potential. Agency facility locations include, but are not limited to, Amityville, Babylon, Bellmore, Farmingdale, Bayshore and Seaford.

The Agency entered into three contracts with Suffolk County in 2017 to manage various Community Service Programs. Each program is funded through a County approved budget that is expenditure based. The first contract is administered by the Department of Probation (Non-Secure Detention for youths; NSD), the second contract is administered by the Department of Social Services (Intensive Case Management for youths; ICM), and the third contract is administered by the Youth Bureau (Babylon Homeless/Runaway Shelter for youths; Shelter). The Shelter was formerly managed by Smith Haven Ministries, Inc. which ceased operations effective December 31, 2014.

FINDINGS AND RECOMMENDATIONS

The Suffolk County Comptroller's Office conducted an audit of three of the Agency's county-funded programs (Non-Secure Detention (NSD), Intensive Case Management (ICM), and Babylon Homeless/Runaway Shelter (Shelter) for the period January 1, 2017 through December 31, 2017. The audit disclosed multiple instances of inadequate internal controls and procedures which resulted in the Agency's failure to comply with provisions contained in the Contract. This report outlines deficiencies and recommendations designed to provide guidance relative to the Agency's administration of Agreements.

The Agency did not always cooperate with audit requests which impeded and prolonged the audit process. Requests for documents was an arduous task with many instances in which the evidence provided was not always complete or accurate. In addition, the Agency was unable to provide their allocation methodology, supporting documents failed to specify allocation rates, and the Agency was unable to provide the required program specific financial statements. These impediments hindered the auditor's ability to readily satisfy audit objectives causing the audit team to utilize alternate methods to determine the reasonableness of the expenditures charged to the County-funded programs.

Compliance – As a result of our audit, we determined that the Agency over reported expenditures by \$5,719 for the period January 1, 2017 through December 31, 2017 (Schedule 1, p. 13). The overpayment was a result of the following:

The Agency was non-compliant with Generally Accepted Accounting Principles and improperly charged the County-funded programs 100% of the costs pertaining to shared equipment and appliances, resulting in a total disallowance of \$5,719. Generally Accepted Accounting Principles (GAAP) require that any expense incurred over more than one funding source or program is proportionately charged or allocated to each program. In addition, the Agency was unable to provide evidence supporting their method of allocating shared costs. Our audit testing disclosed the following:

- **ICM Program** - The Agency could not provide reasonable justification supporting the reported costs associated with a copier that was solely charged to the County's ICM program when it is shared with the Agency's other programs. In addition, since the Agency could not provide an allocation method, we determined an allocation rate based on reasonable criterion (interviews and observations) to allocate the cost pertaining to equipment that benefitted more than this program, resulting in a total disallowance of \$4,050.
- **NSD Program** - The Agency could not provide reasonable justification supporting the reported costs associated with a copier and an appliance that was solely charged to the County's NSD program when they were utilized by another Agency program. Based on our understanding and observations of the NSD program, the program operates in a clearly defined and designated area which is only shared

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with the Agency's Diagnostic program. In addition, since the Agency could not provide an allocation method, we determined a rate based on a reasonable criterion (interviews and observations) to allocate the costs pertaining to the items that benefitted both programs, resulting in a disallowance of \$1,283 for the copier and \$386 for the appliance.

Recommendation 1

The Agency should comply with Generally Accepted Accounting Principles (GAAP) and ensure that any expense incurred over more than one funding source or program is proportionately charged or allocated to each program. In addition, the Agency should ensure that the method of allocation is adequately documented.

Internal Controls – Our review of the Agency's internal controls disclosed the following significant deficiencies that are required to be reported under Government Auditing Standards:

The Agency was non-compliant with the County contract and Generally Accepted Accounting Principles as it failed to provide program specific financial statements and their methodology for allocating shared costs. The Agreement specifically states, "Financial Statements must clearly differentiate between County-funded programs and other programs that the Contractor may operate." In addition, Generally Accepted Accounting Principles (GAAP) require that any expense incurred over more than one funding source or program is proportionately charged or allocated to each program.

These impediments hindered the auditor's ability to readily satisfy audit objectives and required the audit team to utilize alternate methods to determine the reasonableness of the expenditures charged to the County-funded programs. Our audit testing disclosed the following:

- The Agency was unable to provide written accounting practices and procedures to support the allocation method, and justify the rates, used to distribute expenses incurred over more than one funding source or program, as required by State Finance Law and GAAP.¹ Therefore, an allocation rate using a reasonable criterion was computed to determine whether the Agency properly allocated shared costs to the County funded programs.
- The Agency failed to provide financial statements from a certified public accountant that clearly differentiate between County-funded programs and other programs that the contractor may be operating.

¹ As required by New York State Office of Children and Family Services (NYS OCFS) Fiscal Policies and Procedures.

FINDINGS AND RECOMMENDATIONS

Recommendation 2

The Agency should comply with contract provisions and all applicable laws and regulations and have the ability to readily support this compliance with clear and concise documented evidence, that includes, but is not limited to: written accounting practices and procedures used to support allocation methodologies and separate program financial statements.

Payroll and Time & Attendance

The Agency was unable to provide employee work schedules utilized by management when agreeing employee time and attendance records to payroll time records prior to the approval of an employee's payroll. The Agreement specifically states, "The Contractor shall retain all accounts, books, records and other documents relevant to the Contract for seven (7) years after the final payment is made by the County."; however, the Agency was unable to provide any personnel work schedules. The Agency's lack of sufficient documentation hindered the auditor's ability to properly evaluate whether the hours the employee recorded as worked were properly charged to the County-funded programs.

Recommendation 3

The Agency should retain all accounts, books, records and other documents relevant to the county contracts in accordance with the requirements contained in the agreement(s).

The Agency's internal controls and procedures relative to employee time and accrual records are inadequate.² Our audit disclosed numerous instances in which pertinent personnel data, employee hours worked and benefit hours accrued or utilized were not accurately reflected. Our audit testing revealed the following:

- There were several instances in which employees were reported under multiple names on either the County payment vouchers and/or the ADP payroll registers.
- There was one instance in which the Agency improperly charged the County for overtime costs that did not pertain to the County-funded Program.

² Although there were several instances in which audit adjustments could have been computed, no adjustments were made because they would have either been immaterial or mitigated by the remaining balance in the Agency's approved budget line for (ICM) payroll.

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- There was one instance in which Agency's management improperly approved an employee's use of accrued compensatory time that was in excess of the employee's total accrued time bank, which resulted in a negative accrual balance.
- There were numerous instances in which the time and accrual records for one employee did not accurately reflect the employee's sick time benefit hours accrued and utilized. The employee's Time Off Balance Detail reflected multiple accrual inaccuracies and manually entered accrual adjustments affecting the employees earned time off balances.

Recommendation 4

The Agency should implement adequate procedures to ensure the accuracy of employee time records. In addition, the Agency should furnish the County with detailed documentation in support of the payment for expenditures in accordance with the provisions contained in the contract. The detailed documentation should always include properly completed and certified time records for all claims for salary reimbursement.

The Agency improperly charged salary expenses to the County-funded Non-Secure Detention (NSD) program that were associated with services provided to several other Agency programs.³ There were eleven instances, for two employees, in which salary reimbursement of \$10,194 obtained through the County-funded NSD program pertained to hours worked by staff on another Agency program.

Recommendation 5

Agency personnel should perform a quality assurance review of all claims before they are submitted to the County to ensure the accuracy and completeness of the claims. The review should include steps to ensure that claims for wage reimbursement have been properly calculated, all expenses were incurred during the contract period, and supporting documentation is complete and contains sufficient information to confirm the wage reimbursement is associated with the proper program.

The Agency did not properly calculate the gross wages for all Intensive Case Management (ICM) employees as gross wages reported to the County were inclusive of the employee's lunch hour pay which is not reimbursable by the County.⁴ The Agency incorrectly included the lunch hours for hourly employees in the reported number of hours actually worked which resulted in employee gross wages being over stated.

³ Although audit adjustments could have been computed, no adjustments were made because they would have been mitigated by the remaining balance in the Agency's approved budget line for (NSD) payroll.

⁴ Although audit adjustments could have been computed, no adjustments were made because they would have been mitigated by the remaining balance in the Agency's approved budget line for (ICM) payroll.

FINDINGS AND RECOMMENDATIONS

Recommendation 6

The Agency should implement procedures that ensure all “Lock in Lunch” wages reimbursed by the County for employees not subject to "Lock in Lunch" are excluded on the County vouchers. In addition, the Agency should perform a proper review of claim details prior to submission to the County.

The Agency failed to stop payment on a duplicate check in a timely manner which could have resulted in employee overcompensation for accrued vacation time. Our audit testing disclosed one instance in which the Agency failed to promptly cancel a \$738 disbursement to an employee for their accumulated vacation accruals prior to re-issuing a replacement check to the employee. The former employee cashed the initial check a year later and the Agency took eleven months to place a stop payment on the re-issued check.

Recommendation 7

The Agency should implement procedures to ensure that staff responsible for disbursements verify, prior to reissuance, that the initial disbursement has not been claimed and that a properly documented stop payment with the bank/financial institution has occurred. In addition, the Agency should have a limited duration for negotiability not to exceed 180 days after issuance.

Programmatic

The Agency failed to comply with several contractual provisions associated with the Family Enrichment Funds provided by the Intensive Case Management (ICM) program. Our audit found that the Agency could not always provide adequate documentation supporting required multi-level authorizations for the use of Family Enrichment Funds (FEF), client acknowledgment of the receipt of goods or services, and documentation substantiating these costs. Audit testing of 18 transactions reimbursed with Family Enrichment Funds revealed the following:

- All 18 (100%) transactions tested did not contain sufficient authorizations. Fourteen of the 18 (78%) transactions tested did not include authorization from either the ICM Program Director, the Deputy Executive Director and/or the Executive Director. In addition, the Agency failed to provide any form of evidence that the proper authorizations were obtained for the remaining 4 transactions tested (22%).
- Ten of the 18 (56%) transactions tested did not have adequate documentation substantiating the costs and/or the clients’ acknowledgement of the receipt of

FINDINGS AND RECOMMENDATIONS

goods or services. In 9 of the 18 (50%) FEF transactions tested, clients under the age of 18 were permitted to acknowledge the receipt of goods or services provided by the Agency, and in one of the 18 (6%) FEF transactions tested, the Agency failed to provide documentation evidencing the clients acknowledgment of the receipt of goods or services furnished by the Agency.

Recommendation 8

The Agency should comply with all provisions contained in the County contract by ensuring all requirements and authorizations are completed prior to disbursing Family Enrichment Funds to clients. In addition, all documents evidencing completion of the requirements should be properly maintained by the Agency.

The Agency could not provide adequate and/or accurate documentation supporting \$1,600 in vehicle expenses charged to the County-funded Babylon Homeless/Runaway Shelter (Shelter) program which hindered the auditor's ability to properly evaluate whether these costs were proper. The Agency's schedule of vehicle assignment did not agree to the Agency's automobile insurance policy. The policy indicates that the vehicle the Agency assigned to the Shelter is primarily garaged at the Agency's administrative office while a completely different vehicle reported on the insurance policy is primarily garaged at the Shelter.

Recommendation 9

The Agency should ensure that vehicle records accurately depict the assignment of each vehicle and its primary location. In addition, the Agency should verify that the insurance policy is in agreement prior to submitting these costs to the County for reimbursement.

The Agency failed to comply with various provisions outlined in the County contracts and/or applicable New York Code Rules and Regulations (NYCRR). Agency personnel are required to perform specific tasks to obtain required documentation that is to be maintained in each of the client case files. However, our audit identified the following:

- **Babylon Homeless/Runaway Shelter Program** - Our review of twelve (12) client case files revealed that 75% of the files were either incomplete or contained insufficient documentation with regard to one or more of the provisions contained in the County contract and/or NYCRR Section 182, as follows:
 - The Agency failed to provide documents containing required consent signatures for 2 of the 12 (17%) clients tested.
 - The Agency failed to provide evidence of the client's Child and Adolescent Needs and Strengths (CANS) evaluation, and/or that an Individualized

FINDINGS AND RECOMMENDATIONS

- Service Plan (ISP) was developed within 72 hours of the client's intake for 3 of the 12 (25%) clients tested.
- Eight (8) of the twelve (12) clients tested were required to receive individualized counseling once a week (with family when possible); however, 1 of the 8 (13%) client case files did not include evidence that the client received the required counseling.
- The Agency failed to adhere to the "Length of Stay" guidelines for 2 of the 12 (17%) clients tested.
- **Intensive Case Management Program** - Our review of six (6) client case files revealed that 5 of the 6 (83%) case files tested were either incomplete or contained insufficient documentation with regard to one or more provisions contained in the County contract and/or NYCRR Title 18, as follows:
 - An Initial Case Conference was not performed within the required 30 day period following the initial program referral for 1 of the 5 (20%) clients tested.
 - A Casey Life Skills Assessment was not performed within the required 30 day period for 1 of the 5 (20%) clients tested for which it was required.
 - A "CANS" evaluation was required for 5 of the 6 clients tested, and for 3 of these 5 clients, the client had siblings requiring this evaluation as well. However, the Agency did not perform this evaluation for 2 of these 5 (40%) clients within the required 30 days from admission. In addition, the Agency could not provide any evidence that personnel performed the "CANS" evaluation pertaining to the siblings of 3 clients, that is required within thirty days of the clients admittance, and then again at 60 day intervals for each child (siblings) within the family.
- **Non-Secure Detention Program** – Our review of ten (10) client case files revealed that 100% of the client case files tested were either incomplete or contained insufficient documentation with regard to one or more provisions contained in the County contract and/or NYCRR Title 18, as follows:
 - Eight (8) of the ten (10) clients tested required an intake physical within 72 hours of admission. However, testing revealed that 1 of the 8 (13%) client case files did not contain evidence that this requirement was fulfilled.
 - Eight (8) of the ten (10) clients tested required an educational evaluation. However, testing revealed that all 8 client case files did not contain evidence that the Agency submitted an educational report to the home school district, with a copy submitted to the oversight Department, for any clients that remained in the detention center for 5 or more consecutive days.
 - Five (5) of the ten (10) client case files tested contained an incident report. However, 3 of the 5 (60%) client case files did not contain evidence that

FINDINGS AND RECOMMENDATIONS

the Agency submitted the required written report to the oversight Department which in turn is required to forward the incident report to the Courts.

Recommendation 10

The Agency should formulate clear and concise written procedures to ensure compliance with the provisions contained in the County contract and/or applicable New York Code Rules and Regulations (NYCRR) associated with the oversight of clients.

CONTRIBUTORS TO AUDIT REPORT

John M. Kennedy, Jr.
Comptroller

Frank Bayer, CPA
Executive Director of Auditing Services

Manuel Alban, Jr., CPA, CFE
Assistant Director of Auditing Services

Audit Team:
Joseph S. Pecorella, CPA, Chief Auditor
Audra Lebowitz, Principal Auditor
Steven Sanchez, Auditor
Robert C. Wertz III, Auditor

SCHEDULES

SCHEDULE 1

Hope For Youth, Inc.
Summary of Expenditures Over / (Under) Reported
For the Period January 1, 2017 through December 31, 2017

Contract	Amount Reported	Audit Allowance	Amount Over (Under) Reported	Report Page
Homeless/Runaway Shelter Program (Schedule 2)	\$ 397,146	\$ 397,146	-	p.14
Intensive Case Management Program (Schedule 3)	410,882	406,832	4,050	p.15
Non-Secure Detention Program (Schedule 4)	1,041,001	1,039,332	1,669	p.16
Total Amount Over Reported	\$ 1,849,029	\$ 1,843,310	\$ 5,719	

See Notes to Schedules (p. 17)

SCHEDULES

SCHEDULE 2

Hope For Youth, Inc.
Schedule of Budgeted, Reported and Audited Expenditures
Homeless/Runaway Shelter Program (JXN1)
For the Period January 1, 2017 through December 31, 2017

Budget Category	Amount Budgeted	Amount Reported	Audit Allowance	Amount Over (Under) Reported	Notes
Salaries & Wages	\$ 209,808	\$ 208,789	\$ 208,789	\$ -	
Fringe Benefits	45,547	45,495	45,495	-	
Maintenance & Operation	82,450	82,450	82,450	-	
Contracted Services & Stipends	60,446	60,412	60,412	-	
Total Expenditures	\$ 398,251	\$ 397,146	\$ 397,146	\$ -	

See Notes to Schedules (p. 17)

SCHEDULES

SCHEDULE 3

Hope For Youth, Inc.
Schedule of Budgeted, Reported and Audited Expenditures
Intensive Case Management Program (GVI1)
For the Period January 1, 2017 through December 31, 2017

Budget Category	Amount Budgeted	Amount Reported	Audit Allowance	Amount Over (Under) Reported	Notes
Salaries & Wages	\$ 249,546	\$ 230,318	\$ 230,318	\$ -	
Fringe Benefits	63,146	56,661	56,661	-	
Administration	56,957	56,957	56,957	-	
Other Than Personnel Costs	67,019	66,946	62,896	4,050	(1)
Total Expenditures	\$ 436,668	\$ 410,882	\$ 406,832	\$ 4,050	

See Notes to Schedules (p. 17)

SCHEDULES

SCHEDULE 4

Hope For Youth, Inc.
Schedule of Budgeted, Reported and Audited Expenditures
Non-Secure Detention Program (HUA1)
For the Period January 1, 2017 through December 31, 2017

Budget Category	Amount Budgeted	Amount Reported	Audit Allowance	Amount Over (Under) Reported	Notes
Salaries & Wages	\$ 548,322	\$ 537,190	\$ 537,190	\$ -	
Fringe Benefits	171,289	166,832	166,832	-	
Administration	138,381	135,789	135,789	-	
Equipment	6,871	6,870	6,484	386	(2)
Property & Utility	115,000	114,874	114,874	-	
Supplies	50,819	49,425	49,425	-	
All Other Expenses	30,245	30,021	28,738	1,283	(3)
Total Expenditures	\$ 1,060,927	\$ 1,041,001	\$ 1,039,332	\$ 1,669	

See Notes to Schedules (p. 17)

NOTES TO SCHEDULES

- (1) The Agency inequitably allocated costs pertaining to a copier that was solely charged to the County's ICM program when it is shared with other Agency programs, resulting in an audit adjustment of \$4,050.
- (2) The Agency inequitably allocated costs pertaining to an appliance that was solely charged to the County's NSD program when it is shared with another Agency program, resulting in an audit adjustment of \$386.
- (3) The Agency inequitably allocated costs pertaining to a copier that was solely charged to the County's NSD program when it is shared with another Agency program, resulting in an audit adjustment of \$1,283.

APPENDIX A: RESPONSE FROM THE AGENCY



BOARD OF DIRECTORS

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David J. Hegarty, Ph.D.

PROGRAMS

Diagnostic and Emergency
Residential Services

Therapeutic Group Homes

Foster Home Services

Out-Patient Clinical Services

Preventive Services

Youth Shelter Program



MEMBER AGENCY



March 29, 2021

Mr. Frank Bayer, CPA
Executive Director, Auditing Services
Office of the Suffolk County Comptroller
H Lee Dennison Building
100 Veterans Memorial Highway
P.O. Box 6100
Hauppauge, NY 11788

RE: Report 2019-28

Dear Mr. Bayer,

In accordance with your letter of March 17, 2021, this correspondence will serve as the written response of Hope For Youth to your performance audit of our Non-Secure Detention program, Runaway/Homeless Youth Shelter program and our Intensive Case Management program for the contract year 2017. To facilitate the organization of our response, we will follow the formatting of your recommendations by identifying number in your report.

Recommendation 1: Hope For Youth acknowledges that the methodology in place in 2017 was not effectively allocating core costs such as maintenance, IT, insurance, etc., across our multiple contracts and rate set programs. By the time this audit commenced in 2019, revisions to the formula were underway and our staff benefited from consultation with your audit team as we finalized a methodology that would effectively incorporate GAA Principles and the unique requirements of Suffolk County contracts. A process is now in place to revise this methodology annually to account for our ever-evolving array of programs and services which are paid for via county contracts, state contracts, federal contracts, per diem reimbursement and fee for service revenue. Since HFY has contracts which start in January, April, June, July and October this is a complex task which we will adequately document and now also include such documentation with the submission of vouchers throughout the contract year.

Recommendation 2: See discussion above regarding new allocation methodology. Further we note that our independent auditors have been advised of the need to separate county funded programs within our annual independent audit report.

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APPENDIX A: RESPONSE FROM THE AGENCY

Recommendation 3: Supervisory staff have been advised that until such time as the agency identifies a payroll firm with software that effectively captures and manages all aspects of employee time management, they are to retain paper copies of schedules. We note that the current vendor, ADP, has provided a fully integrated time and attendance system that is very effective in using fingerprint scanning to record employee attendance, but that their scheduling system has proven to be inadequate to meet our needs in that our residential congregate care programs operate 24x7x365. We are presently exploring other vendors that can provide the same functionality we currently receive from ADP with the added benefit of employee scheduling.

Recommendation 4: Electronic employee attendance records retained by Hope For Youth are now printed and included with claim vouchers. These records contain documentation of supervisor approval. Business office staff have been reminded of the need to accurately transcribe employee names on claims and to collaborate with our HR staff to document employee name changes related to marriage, divorce, etc.

Recommendation 5: Hope For Youth has implemented enhanced claim review procedures to identify errors or omissions in claims before they are submitted to the county for reimbursement.

Recommendation 6: Hope For Youth has modified our payroll policies and instructed our vendor (ADP) to adjust all exempt staff to reflect the recommended "Lock in Lunch" model.

Recommendation 7: Hope For Youth has implemented procedures that require documentation of "stop payment" prior to reissuing a replacement check. In addition, each check is now imprinted on the face with a statement indicating it is void after 180 days.

Recommendation 8: The approval process for Family Enrichment Funds had been changed by mutual agreement between DSS and HFY, but the applicable section of the 2017 Contract Narrative had not been modified. That section of the contract has been modified for 2021. Further, HFY has clarified for program staff that only a responsible adult may sign for receipt of such funds. The applicable section of the Contract Narrative now reads as follows:

The Family Enrichment Fund will be available upon the authorization of the Program Supervisor, Assistant Director, and Senior Program Director for amounts under \$200.00. For the provision of any item or service over \$200, the Executive Director will authorize, and in addition, prior signed authorization will be obtained from the identified personnel at the Department. All authorizations must include the family and worker name, the amount of the requested Family Enrichment Fund expenditure, the purpose, and the anticipated outcome. This should include a brief description of anticipated changes in behavior, status or conditions. The actual outcome must be documented in the case

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APPENDIX A: RESPONSE FROM THE AGENCY

record for every Family Enrichment Fund expenditure. Every expenditure from the Family Enrichment Fund must be linked to a specific case plan goal. Once the family enrichment funds have been spent, the family signs a Client Voucher Receipt Form acknowledging they received the item(s). This form, along with the itemized receipt, is submitted to the Department. The Intensive or Supportive Case Manager obtains and advocates for every Family Enrichment Fund service implemented and maintains a record of Family Enrichment Fund services delivered in each case. The agency must establish tight accounting procedures for tracking the use of Family Enrichment Funds. This service will be monitored using the "Monthly ISCM Enrichment Fund Report."

Recommendation 9: The "schedule of vehicles" referred to in this finding is reported to our insurance carrier annually in November as we initiate the policy renewal process. Subsequent to that reporting, vehicles may come to the end of lease or be reassigned to other locations to best manage mileage within lease caps based upon program utilization to mitigate overage charges at lease termination. Hope For Youth has discussed updating this "garaged location" list with our carrier but has been advised they only update this document upon policy renewal or other material change of location and a change from Amityville to North Babylon is not considered material for underwriting purposes.

Recommendation 10:

Runaway & Homeless Youth Shelter-

- The agency failed to provide documents containing required consent signatures for 2 of 12 clients.
Program Practice guide amended to reflect regulations (ie. parental notification within 72 hours / stay beyond 30 days with parental consent)
- The agency failed to provide evidence of the client's CANS evaluation, and/or that an Individualized Service Plan was developed within 72 hours of intake.
Program Practice guide amended to remove CANS and added the use of Motivational Interviewing, an evidenced based model, to engage youth in Service Plan / Goals development. The contract to be amended to reflect practice guide change.

Intensive Case Management-

- An initial Case Conference was not performed within the required 30 day period.
It had been our practice to maintain the IDT agenda at a reasonable length of time by occasionally holding over some case conferences past the 30 day period – that is no longer the case – all cases due for case conferences will be completed when on agenda.
- A Casey Life skills Assessment was not performed within the required 30 Day period.

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APPENDIX A: RESPONSE FROM THE AGENCY

ICM staff have been advised that all documents and assessments that must be completed within the first 30 days, are to be submitted to the supervisor for review and available at the 30 day IDT.

- A CANS was required within the first 30 days for client and siblings and it was not completed – 2 weren't completed for client and siblings to 3 clients were not completed.

As noted above, the CANS must be completed for the 30 day case conference and the supervisor must track. The completion of the CANS for siblings is no longer in the narrative as the program only serves a designated child. Please see below for new Contract Narrative language applicable to the CANS:

The Intensive and Supportive Case Manager is responsible for completing the CANS screening for the identified client/child in the family. All youngsters are screened within thirty days of their admittance to the program and then again at the conference dates outlined above.

Non-Secure Detention Program

- 8 of 10 clients tested required an intake physical within 72 hours of admission. However, 1 of the 8 client files did not contain evidence that this requirement was fulfilled.
Intake physical appointments are scheduled by the assistant program manager or designated staff at time of admission. This will be tracked by the program manager with oversight provided by the residential director.
- 8 of 10 clients tested required an education evaluation. However, 8 files did not contain evidence that the agency submitted an education report to the home school district, with a copy submitted to the oversight department, for any clients that remained in the detention center for 5 or more days.
Hope For Youth is now sending the home school district an education report for all youth and documenting same in our files. The NSD Contract Narrative will be amended to indicate "copy submitted to oversight department if requested."
- 3 of 5 client case files did not contain evidence that the agency submitted required report to the oversight department which in turn is required to forward the incident report to the courts.
Hope For Youth has requested that Probation modify the NSD Contract Narrative to indicate "verbal notification of serious incidents to the Department within two business days and in-writing to the Family Court via the court report" which summarizes information regarding each case.

The above summarizes our response to Suffolk Comptroller Audit Report 2019-28.

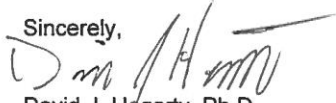
APPENDIX A: RESPONSE FROM THE AGENCY

In closing, we would note the concern expressed on page 4 of the report that the audit team perceived that Hope For Youth did not always cooperate with audit requests and that this impeded and prolonged that audit process. We acknowledge that at times this process was attenuated but would note that the close-down associated with the COVID-19 Pandemic began in March 2020, mid-way through the audit on site field work, and continues in some form through today. COVID-19 caused significant disruption to our program and business office operations. The shortage of on-site staff and the critical need to keep cash flow related activities at the forefront of our business office efforts did at times unfortunately delay our response to the audit team requests.

We appreciate the opportunity afforded by the audit process to review our practices and implement improved policies and procedures that support our work on behalf of Suffolk County in meeting the needs of the vulnerable children, youth and families served by Hope For Youth.

Please contact me if you have any further questions or comments.

Sincerely,



David J. Hegarty, Ph.D.
Executive Director & CEO

APPENDIX B: COMPTROLLER OFFICE’S COMMENTS ON THE AGENCY’S RESPONSE

The Agency submitted a written response to the audit report (Appendix A, p. 18). In its response the Agency concurred with the audit findings and stated that it has taken corrective action and implemented the audit recommendations. Therefore, no modification of the audit report is warranted.

The audit requests which are referred to on page four of the audit report pertained to requests that were made predominately before the COVID-19 pandemic in March 2020. Nevertheless, the Agency was agreeable and open to implementing the audit recommendations in a timely manner and we extend our gratitude to the personnel of the Agency for their willingness to accept the recommendations.

APPENDIX C: AUDIT SCOPE AND METHODOLOGY

In accordance with the authority vested in the County Comptroller by Article V of the Suffolk County Charter, a performance audit was conducted of three (3) programs funded by Suffolk County and provided by Hope for Youth, Inc. (Agency) located at 201 Dixon Avenue, Amityville, New York during the period January 1, 2017 through December 31, 2017. The Agency's contracts were administered by the Suffolk County Department of Probation, Suffolk County Department of Social Services and Suffolk County Youth Bureau.

We conducted this audit of the Agency's internal controls and procedures to ensure that expenditures charged to the County-funded programs were proper program costs in accordance with contract provisions, payments made to the Agency did not exceed contract budget amounts, and to determine if the Agency complied with contract provisions and applicable laws and regulations.

The scope of the audit was a performance review of the systems and procedures the Agency uses specifically associated with the three County-funded programs under review to determine whether the Agency adhered to the contract, applicable laws, and regulations.

The subject of our review were limited to three County-funded programs (Non-Secure Detention (NSD), Intensive Case Management (ICM), and Babylon Homeless/Runaway Shelter (Shelter).

We performed the following procedures in order to accomplish the audit objectives stated in the Letter of Transmittal:

- Reviewed the Suffolk County Agreements and any other applicable laws, regulations and other compliance requirements related to the audit objectives.
- Interviewed personnel from the Department of Audit & Control's Accounting Services Division.
- Interviewed personnel from Suffolk County Department of Probation, Social Services and Youth Bureau to obtain an understanding of the County-funded programs and to determine their procedures for processing claims submitted by the Agency.
- Interviewed Agency personnel responsible for the authorization, processing, payment and recording of expenses claimed to the County-funded programs.
- Interviewed Agency personnel responsible for the Human Resource aspect of the Agency in order to obtain an understanding of the Agency's policies and

APPENDIX C: AUDIT SCOPE AND METHODOLOGY

procedures relative to hiring, terminations, staff training and employee fringe benefits, and to determine if any preliminary areas of concern exist.

- Interviewed Agency personnel to gain an understanding of the Homeless/Runaway Shelter, Intensive Case Management, and Non-Secure Detention Center programs.
- Interviewed Agency personnel to gain an understanding of the various computer software programs and databases that are utilized by agency to compile relevant information for each program.
- Obtained and reviewed the Agency's Personnel Manual.
- Reviewed the Agency's Board of Directors meeting minutes for June 2016 through June 2018 for information relevant to the audit.
- Obtained and reviewed the Agency's Statement of Other Contracts for 2017. Reviewed the Agency's Schedule of Expenditures of Federal Awards, New York State Comptroller's Open Book New York website, Harvester Census Clearing House and USASpending.gov to ascertain if there were additional contracts not included on the Statement of Other Contracts.
- Performed a walk-through of the Agency's Administrative Offices, which also functions as a multi-purpose facility for various programs in order to gain an understanding of procedures and document any concerns.
- Performed a walk-through of the Non-Secure Detention facility to gain an understanding of program procedures, determine compliance with contractual and state laws, and document any concerns.
- Performed a walk-through of the Homeless/Runaway Shelter facility to gain an understanding of program procedures, determine compliance with contractual and state laws, and document any concerns.
- Performed testing procedures as deemed necessary for random and judgmental sample selections of salaries and wages reimbursed by the County.
- Verified that fringe benefit costs charged to the County programs were based on actual costs and that all allocations were properly calculated in accordance with the program budgets.

APPENDIX C: AUDIT SCOPE AND METHODOLOGY

- Performed testing procedures as deemed necessary for random and judgmental sample selections of other than personal service expenses reimbursed by the County.
- Performed testing procedures as deemed necessary for random and judgmental sample selections of client case files.
- Verified the Agency's compliance with specific provisions of the Suffolk County Agreements and other applicable laws, rules and regulations.
- Verified that Administrative Overhead costs charged to the County programs were based on actual costs and that all allocations were properly calculated in accordance with the program budgets by performing an analysis based on a reasonableness computation.
- Performed an analysis of the Agency's other funding sources received during the audit period in order to determine whether reimbursements paid by the County were duplicated by payments from other sources.
- Performed an analysis of Bond expenditures that were improperly charged to the County-funded programs as Rent in order to determine whether these reimbursements were reasonable when compared with the bond expenses that are considered allowable by the County.
- Utilizing the information obtained from Agency employee interviews and Auditor observations, we determined a reasonable allocation rate to distribute the Agency's other than personnel shared costs for each of the programs being audited.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.